

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Mississippi (Mr. TAYLOR).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OLIVER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

TWENTY-FIRST ANNUAL REPORT OF FEDERAL LABOR RELATIONS AUTHORITY FOR FISCAL YEAR 1999

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Reform.

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95-454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Twenty-first Annual Report of the Federal Labor Relations Authority for Fiscal Year 1999.

The report includes information on the cases heard and decisions rendered by the Federal Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

WILLIAM J. CLINTON.
THE WHITE HOUSE, July 26, 2000.

EDUCATION DEPARTMENT'S MIS- MANAGEMENT OF TAXPAYERS' MONEY

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, I am here on a personal crusade. I came to Congress because I have got five children and I care about their school. They are getting ready to go back to school in August.

A couple of things disturb me, Mr. Speaker. The Department of Education contract employees, some of them, pleaded guilty to participating in a scheme to defraud the Department of more than \$1 million in equipment and false overtime. They illegally procured equipment, including a 61-inch television set, digital cameras, and Gateway computers for the personal use of Department employees and their families.

That is not all. Another fraudulent overtime claim includes a trip to Baltimore to pick up crab cakes for another Department employee. Two more De-

partment employees were recently charged by the Department of Justice with involvement in this scandal, and as many as four other Department employees remain under investigation.

In 1998, the Department could not even audit its books, they were so badly managed. In 1999 when they did audit their books, they got a D minus.

Republicans have a different idea. We want to get dollars to the classroom and out of that bureaucracy over there.

Mr. Speaker, unbeknownst to all but Beltway bureaucrats and a handful of reform minded Members of Congress, the U.S. Department of Education has failed its last two financial audits.

The nationally known and respected accounting firm Ernst and Young has attempted, for fiscal years 1998 and 1999, to determine if the Department of Education has spent the money sent to it by Congress appropriately and lawfully.

The sad truth is, we just don't know. The Department's books were unauditable for FY 1998. This means the auditors couldn't even form an opinion on the state of the Department's books, let alone say whether those books were balanced and accurate.

In FY 1999, the Department received a grade equivalent of a D-. This means the auditors could put the books together into some sort of coherence, but not well enough to give the Department a passing grade in Accounting 101.

According to the auditors, if a private company received the same results the Department did on its FY 1999 audit, its stock would plummet. A real life example of this is MicroStrategy, whose stock, on the day a critical and unfavorable audit was announced, fell 62% and unleashed a slew of investor lawsuits.

Sadly, no one really knows when the Department will be able to receive a clean audit.

So, Mr. Speaker, what does this really mean to taxpayers—parents—and children? A few recent incidents illustrate the effects of this financial mis-management.

A Department of Education contract employee pleaded guilty to participating in a scheme to defraud the Department of more than one million dollars in equipment and false overtime. Illegally procured equipment included a 61 inch TV, digital cameras, and Gateway computers for the personal use of Department employees and their families.

However, that's not all. Among the fraudulent overtime claims was a trip to Baltimore to pick-up crab-cakes for another Department employee.

Two more Department employees were recently charged by the Department of Justice with involvement with this scandal, and as many as four other Department employees remain under investigation.

Earlier this year, 39 students were incorrectly notified by the Department that they had won the prestigious Jacob Javits scholarships. The cost of the mistake? Nearly \$4 million dollars.

The theft ring and mis-identified students may only be the tip of the iceberg. Who knows what other kinds of waste, fraud, abuse and mismanagement might be taking place right

now because of the inaction of the AL GORE and Education Secretary Riley?

For example, in one academic year alone, \$177 million dollars in Pell Grants were improperly awarded, and the Department forgave almost \$77 million in student loans for borrowers who falsely claimed to be either permanently disabled or dead.

The Department of Education also maintains a "grantback" account which at one time contained \$750 million. Not surprisingly for an agency that cannot pass a basic audit, most of this money didn't really belong there. So far, the Department has been unable to explain exactly where the money came from, where it went, or why it came and went.

Is a clean audit an unreasonable goal for a federal agency? Bureaucrats would have you believe it is, but we all know it isn't. In fact, businesses large and small comply with this simple measure of fiscal responsibility every day. Any business owner will tell you the importance of a clean audit to maintain the confidence of investors and customers and to prevent waste, fraud and abuse.

The Department has failed to address its financial management for eight years running. Inaction has consequences and our children are paying the price. Fortunately, Republicans have responded to this inexcusable waste of hard-earned taxpayer money devoted to support the education of American children. We have held numerous oversight hearings, continue a rigorous investigation and passed a bill requiring a comprehensive fraud audit of the Department by the General Accounting Office.

We know what needs to be done. Until it is, the taxpayers' investment in the education of American school children will not reap anything close to maximum return.

OMISSION FROM THE CONGRES- SIONAL RECORD OF TUESDAY, JULY 25, 2000 AT PAGE H-6853

(The following addition to the statement of the gentleman from Wisconsin (Mr. RYAN) was omitted from the CONGRESSIONAL RECORD of Tuesday, July 25, 2000 at page H6853.)

Mr. Speaker, H.R. 4924, the "Truth in Regulating Act of 2000," is a bipartisan, good government bill. It establishes a regulatory analysis function within the General Accounting Office (GAO). This function is intended to enhance Congressional responsibility for regulatory decisions developed under the laws Congress enacts. It is the product of the leadership over the last few years by Small Business Subcommittee Chairwoman on Regulatory Reform and Paperwork Reduction, Sue Kelly.

The most basic reason for supporting this bill is Constitutional: Just as Congress needs a Congressional Budget Office (CBO) to check and balance the executive Branch in the budget process, so it needs an analytic capability to check and balance the Executive Branch in the regulatory process. GAO is a logical location since it already has some regulatory review responsibilities under the Congressional Review Act (CRA).